

**New Jersey  
Department of Health  
SFY 2013**

**Request for Application**

**Health Care Stabilization Fund**

**January 2013**

## **I. Purpose of Funding**

The New Jersey Department of Health announces the availability of funds in the form of grants to licensed health care facilities. The department will provide financial assistance through temporary grants to qualifying health care facilities that are facing closure or a significant reduction in services to the Medicaid and Charity Care patient population due to financial distress, in order to ensure maintenance and access to necessary health care services for residents in communities served by the qualifying health care facility.

## **II. Program Policies and Requirements**

The applicant shall clearly delineate the Medicaid and Charity Care population and community to be served. The applicant must demonstrate how the proposed grant will stabilize health care delivery to the target populations/communities. The applicant shall describe the project in discrete terms to allow for grant funds to be assigned to a specific project with identified needs assessments and objectives, evaluation methods, and cost.

## **III. Proposed Eligibility and Target Community**

- A. For SFY 2013 the Health Care Stabilization Fund is available to New Jersey licensed health care facilities.
- B. Target Community: The applicant shall clearly delineate the Charity Care and Medicaid population to be served. The applicant must demonstrate how the proposed grant will maintain health care delivery to the target population and or communities.

## Health Service Grant Application and Attachments

The Department of Health requires all grant applications to be submitted electronically through our System for Administering Grants Electronically (SAGE). There are two tracks for grantees applying through SAGE. The first track is for those applicants who have never registered or applied for grants electronically with the Department of Health or with another department using SAGE. The second track is for grantees that are registered and/or have already applied for grants through DOH or with another department.

### **General Information**

#### For Track 1 new users:

1. All individuals using SAGE must be registered in SAGE.
2. Users only need to register one time.
3. An authorized official for your agency will need to approve you as a new user.
4. The authorized official must be validated by the DOH Administrator before other actions can be taken. Contact your project management officer.
5. Authorized officials can change user approval levels for personnel within their organization.
6. All organizations applying for grants must be registered in SAGE, have a federal employer identification number, and a DUN number, contact your GMO or DOH administrator with questions.
7. Your organization must be eligible to apply for a grant in order to complete an application. Contact your program management officer if you cannot access the application.
8. To add additional information and documents required to be submitted with your application, go to the miscellaneous attachments found in the grant forms.
9. If you know the vendor number and the address used for payments by the state, you may enter that data. If you are not sure or have

never done business with the state contact your grant management officer.

For Track 1 current users:

1. Each year your organization must be made eligible to apply for a grant in order to complete an application. If you cannot access the grant application you should contact your project management officer.
2. Most information should be brought over from your prior year's grant award. Be sure to make necessary updates and changes in all forms and certifications.

**Contacts:**

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The Cost Summary and Budget are generated from information entered into other schedules

- A. The line item budget must show the allocation of grant funds;
- B. The line item budget must show, in separate columns, the total amount of funds requested from the Department of Health and the amount of funds, if any, from other sources that are being allocated to this application.
- C. Although there is no matching fund requirement for these grants, the applicant must demonstrate that sufficient resources are committed to the project to ensure on-going operations.

#### A. Health Care Stabilization Fund Application

Project narrative requirements shall consist of sections as follows not to exceed 20 pages:

1. Need/Justification Statement- describe the essential health care service (s) in danger of being rendered inaccessible at the facility and whether such essential services are sufficient and reasonably accessible to the facility's community from other nearby facilities. Describe activities to improve access to primary health care services, to improve population's health status, to decrease health disparities among sub-groups of the populations being served, to decrease reliance on hospital emergency department services for non-emergent conditions, and to decrease hospitalizations for ambulatory sensitive admissions.
2. Extraordinary Circumstances- describe the extraordinary circumstances that threaten access to those essential health care services to residents in the facility's community.
3. Alternatives- explain how individuals in the facility's community will be without ready access to essential health care services in the absence of the award of a grant from the fund. Identify mechanisms to improve access to primary health care services at appropriate level of utilization of health care services in the community, improve the population's health status, decrease health disparities among sub-groups of the populations served, decrease reliance on hospital emergency department services for non-emergent conditions and improve, and decrease hospitalizations for ambulatory sensitive conditions.
4. Other Sources- explain why funding is unavailable from other sources to preserve or provide essential health care service, including funding from the facility's parent organization, affiliates, related foundations, and other sources.

5. Stabilization- explain how a grant from the fund is likely to stabilize access to essential health care services and improve access to primary health care services in the community.
6. Continuation-explain how the essential health care services will be maintained upon the termination of the grant including financial projections. Facilities that were awarded stabilization funds in any prior fiscal year shall demonstrate how a stabilization grant has effectively provided assistance in maintaining access and how the current application relates to the continuation of services or access. The facility must explain how that funding was used to stabilize access to care, how each condition placed on funding was met and why additional funding is being requested despite past support.

B. Health Care Stabilization Fund Mandatory Documentation

1. The facility's most recent 2 years of audited financial statements and accompanying independent accountant's opinion letter. If applicable include the most recent 2 years audited financial statements and independent accountant's opinion letter of the facility's parent organization.
2. The facility's current unaudited quarterly financial statements for each quarter since issuance of the most recent audited financial statements. Provide year over year comparative quarterly financial statements.
3. The facility's current year budget both operating and capital with a comparison through June 30, 2012.
4. Any operational audits/analysis (both internal and external consultant reports and recommendations prepared in the last two years. A list of FTEs by department for the last three years.

5. The facility's most recent filed IRS Form 990 including all disclosures on executive compensation and conflicts of interest.
6. Describe any services or clinics eliminated in the last year and the alternatives provided to maintain access.
7. Describe any reductions in staffing, employee salary or benefit reductions, or other employee cost saving reductions, or other employee cost saving initiatives or concessions implemented in the last year by the number of job titles affected.
8. Copy of the agenda and materials presented at the annual meeting and list names of Board members and Management representing the facility. Confirm compliance with the annual requirement of an open public meeting.
9. Continuing education courses offered to and attended by the governing board in 2012.
10. Forecasted estimated cash flows for fiscal years 2013 and 2014.
11. Any recent appraisals of property owned by the facility.
12. Most recent payer mix analysis, identify the number and percentage of uninsured or underinsured patients including charity care, Medicaid, Medicare, and self pay patients.
13. Document expenditures on outside consultants, including but not limited to lawyers, lobbyists, business operations, and public relations professionals and provide a summary of services and related dollar amounts for 2011 and 2012.
14. Describe applicant's process/efforts to enroll patients and public programs including with specificity the payer mix for the previous 24 months.

### C. General Requirements

All grantees awarded funding through this process must:

1. Be licensed by the New Jersey Department of Health as a licensed health care facility;
2. Demonstrate the extraordinary circumstances that threaten access to essential health services for residents in a community;
3. Describe how persons in a community will be without ready access to essential health care services in the absence of the grant award;
4. Demonstrate that funding is unavailable from other sources to preserve or provide essential health care services;
5. Demonstrate the grant is likely to stabilize the financial viability of the facility, access to essential health care services, and improve access to primary health care services in the community;
6. Demonstrate there is a reasonable likelihood the health care facility will sustain essential services upon termination of the grant;
7. Provide data concerning services provided to uninsured and underinsured persons;
8. Demonstrate adequate progress toward implementation of services within six (6) months of a grant award;
9. Demonstrate how grant funds will augment and supplant already available funds and in-kind resources to provide necessary health care services in the community; and
10. Present a reasonable and accurate budget based on the proposed activities. It is expected the budget presented will be reasonable and appropriate based on the scope of services to be provided and the number of persons to be served.

### D. Funding Information

A total of approximately \$30,000,000 will be available to support health care stabilization activities. The minimum award shall be \$1,000,000. Amount of awards will vary based on need. Funds are available through a State appropriation in SFY 2013 and will be awarded through a health service grant to the approved applicant. The project period for the health care stabilization fund will end on



June 30, 2013. The applicant must include how the facility will sustain services after the end of the funding period, June 30, 2013.

There is no matching funds requirement. However, the degree of facility commitment to the project, as evidenced by the contribution of organization resources will be taken into consideration when awarding the finding.

The Department of Health reserves the right to discontinue any health care stabilization funding for failure to meet grant requirements and/or timelines.

#### E. Grant Submission Information

This is a competitive grant application process. The applicant must be filed electronically, no later than 5:00 p.m. on February 22, 2013.

Applications received by the deadline will be reviewed for compliance with RFA requirements by Department of Health staff.

#### F. Review Process

- a) Proposals that meet the requirements will be ranked based on the criteria and receive preliminary approval.
- b) Facilities approved for funding will be awarded grants based upon the ranking and availability of funding.
- c) Facilities approved for funding will be awarded a Health Services Grant.
- d) Upon final approval and budget negotiation agreement, an agency will receive notification of the grant award.
- e) The Attachment C of the Health Services Grant will detail terms and conditions of the health care stabilization funding, including, but not limited to:
  - i. Regular and enhanced financial reporting to the Department of Health, or its designee, possibly including weekly or monthly meetings with management to review dashboard reports demonstrating how the grant funds are being used and how the facility is performing compared to projections.
  - ii. The Commissioner may appoint a designee to attend any meeting of the facility's governing board, the governing board of the facility's parent organization, and any committee meeting deemed appropriate by the Commissioner, including but not limited to the

- finance committee, the planning committee and any turnaround, steering or reorganization committee.
- iii. The Commissioner may appoint a designee as a voting member of the facility's governing body.
  - iv. The Commissioner may require the facility to engage a consultant to prepare a report evaluating the operations, management and governance of the facility along with the recommendations for improvements, and may further require that the facility implement or engage a consultant at the Commissioner's discretion at a cost to the facility) to implement any or all of the recommendations resulting from the consultant's report.
  - v. The Commissioner may require the facility to demonstrate improvements in operational and quality standards.
  - vi. The Commissioner may require the facility to enhance its efforts to enroll uninsured patients in public programs.

#### **G. Review Criteria**

<b><u>Review Criteria</u></b>	<b><u>Maximum Points</u></b>
Identify hospital closure or reduction of service. Describe alternatives to provide access or activities to improve access to primary health care services, activities to improve community health status, to decrease health disparities among sub-groups of the community served, to reduce reliance on hospital emergency department services for non-emergent conditions and improve utilization of appropriate level of health care services, and to decrease hospitalizations for ambulatory sensitive admissions	30 points
Demonstrate extraordinary circumstances creating the need for health care stabilization by describing the population and community current barriers to services. Include the facility's financial needs of an operating margin, and cash days on hand.	30 points
Proposal must identify the population and community to be served	10 points
Plans/strategies/activities must be appropriate	

to stabilize access and/or availability of services including long-term sustainability of the facility and be directed to the target population and ensure access to health care services in the community.	20 points
Document efforts to improve efficiencies and facility management and governance	10 points
The proposal must include an appropriate and reasonable budget narrative that is complete, comprehensive, and provides and provides an explanation for each budget line item. The proposal must include a statement or description of how services will be maintained after June 30, 2013	Mandatory